



# MARYLAND DEPARTMENT OF JUVENILE JUSTICE

## SECRETARY'S DIRECTIVE

**OPI:** Division of Departmental Support – Office of Procurement  
**NUMBER:** SD D1260-02-01  
**EFFECTIVE DATE:** March 27, 2002  
**SUBJECT:** Corporate Purchasing Card Policy

(Page 1 of 6)

1. **PURPOSE AND SCOPE.** The Department of Juvenile Justice (DJJ) Secretary establishes this Corporate Purchasing Card Policy Directive to set forth standard procedures and departmental guidelines for an authorized card holder to follow when using a DJJ Corporate Purchasing Card Vendor selected by the State Comptroller's Office. The DJJ Corporate Purchasing Card Policy Directive and Procedures are written as a supplement to the State of Maryland Purchasing Program Policy and Procedures. The Corporate Purchasing Card shall be used in accordance with these policies and procedures and the State Procurement Regulations governing small procurement.
2. **POLICY.** It is the Department of Juvenile Justice policy that a staff person authorized by the DJJ Chief Procurement Officer to use a Corporate Purchasing Card may only do so to conduct official State business. Staff using a card shall do so in a manner that is fiscally responsible and in accordance with the procedures established by this directive.
3. **PROGRAM OBJECTIVES.** The objectives of this policy are that DJJ:
  - a. Define the guidelines and procedures that a Corporate Cardholder shall follow when making an authorized purchase.
  - b. Establish spending limits and methods for making a purchase request.
4. **AUTHORITY.**
  - a. Annotated Code of Maryland, Article 83C, §§ 2-102; 2-104
  - b. Comptroller of Maryland, Corporate Purchasing Card Policy and Procedures
  - c. DJJ Corporate Purchasing Card Manual
  - d. COMAR 21.05.07, Small Procurement Regulations
5. **DEFINITIONS.** In addition to the following definitions, other definitions are identified in the Comptroller's Corporate Purchasing Card Program (Appendix 1, Section 2).
  - a. *Corporate Purchasing Card* means a credit card issued to DJJ by a Corporate Purchasing Card Vendor.
  - b. *Corporate Purchasing Card Vendor* means a financial institution/vendor selected by the State Comptroller's Office to provide credit card services to a State Agency.
  - c. *Corporate Cardholder (CCH)* means an individual authorized by the Secretary or the DJJ Chief Procurement Officer to receive and use a Corporate Purchasing Card in accordance with this policy directive.
  - d. *Department* means the Department of Juvenile Justice.
  - e. *Spending Plan* - means a Unit's approved spending levels within the DJJ budget.

**6. ACTION REQUIRED.**

**a. Procedures and Responsibilities of a Corporate Cardholder**

- (1) Each CCH shall be responsible for using a card appropriately for authorized state purchases.
- (2) Each CCH shall make purchases in accordance with the approved Spending Plan for their respective Unit, Area or Facility. The Spending Plan shall be approved by the DJJ Fiscal Planning and Management Office (FPMO). Revised spending plans shall be submitted to the FPMO as appropriate.
- (3) The DJJ FPMO shall provide appropriate forms and information to each Unit Manager, Area Director and Superintendent by April 30<sup>th</sup> of each year to prepare for the next fiscal year's Corporate Purchasing Card Spending Plan.
- (4) Each CCH shall receive training from the individual(s) DJJ designates as Corporate Purchasing Card Administrator and receive a Corporate Purchasing Card Manual that provides instruction on the appropriate use of the card.
- (5) Each Supervisor of a CCH shall receive training on his/her supervisory role and responsibilities in this process.

**b. Procedures for Using a Corporate Purchasing Card**

- (1) A CCH may not make a purchase that exceeds a single transaction amount of \$2,500.
- (2) A CCH shall make purchases from the appropriate Agency or Vendors.
- (3) A CCH shall use State Use Industries (SUI) as a provider for printing, graphics, signage custom made seals, cleaning materials, clothing, mattresses, meat products and other items as detailed in the State Use Industries Catalog, unless a waiver is received to document that a requested item is unavailable.
- (4) A CCH shall request a written waiver if SUI cannot provide a requested item by a CCH's requested due date. Upon receipt of a written waiver, a CCH may purchase an unavailable item or service from another appropriate source.
- (5) A Statewide Contractor approved by the Department of Budget and Management (DBM) or Department of General Services (DGS) shall be used for the appropriate purchases if the following conditions exist:
  - (i) A Blanket Purchase order is available on the Financial Management Information System (FMIS) for the Contractor.
  - (ii) A purchase amount does not exceed the single purchase limit of \$2,500.
  - (iii) A selected contractor accepts a Corporate Purchasing Card.
  - (iv) A selected contractor agrees to honor the Statewide Contract prices.
- (6) A CCH shall refer to the DGS and DBM WEB sites, [www.dgs.state.md.us](http://www.dgs.state.md.us) and

[www.dbm.state.md.us](http://www.dbm.state.md.us) respectively, for a listing of Statewide Contractors that are identified and available for use.

- (7) A CCH may purchase an item or service from a vendor who has not been procured as a Statewide Contractor if:
  - (i) A single transaction purchase does not exceed \$500;
  - (ii) A CCH considers a purchase price to be fair and reasonable; and
  - (iii) A needed item is identified in a Unit's spending plan.
- (8) A CCH may purchase from a vendor who has not been procured as a Statewide Contractor if:
  - (i) A single transaction purchase amount exceeds \$500, but is not over \$2,500;
  - (ii) A purchase in this category is on the Unit's approved spending plan; and
  - (iii) A CCH had documentation of three (3) quotes as required by the Corporate Purchasing Card Manual.

**c. Restrictions for Using a Corporate Purchasing Card**

- (1) A CCH may not use a Corporate Purchasing Card to make a purchase that exceeds \$2,500. These purchases shall be made through FMIS or other authorized procedures of the Department.
- (2) A CCH may not purchase furniture with a Corporate Purchasing Card unless s/he is performing the duties of an Agency Buyer within the DJJ Procurement Unit.
- (3) A CCH may not use a Corporate Purchasing Card to lease equipment. Equipment may be purchased by the CCH if it is specifically identified in the Unit's spending plan. Each piece of equipment purchased by a CCH shall be included on the DJJ inventory records as required by the DJJ Property Manager.
- (4) A CCH may not exceed a limit of \$250 to purchase a piece of equipment unless s/he is performing the duties of an Agency Buyer within the DJJ Procurement Unit. A CCH shall initiate a request through the use of FMIS to purchase equipment over this amount.
- (5) A CCH may not purchase a Motor Vehicle with a Corporate Purchasing Card.
- (6) A CCH may not purchase gas and oil with a Corporate Purchasing Card. However, a State Fuel Card shall be used for gas and oil dispensing at a State Police Barracks, or other authorized location.
- (7) A CCH may not use a Corporate Purchasing Card to purchase/procure motor vehicle repairs and services unless the DJJ Fleet Manager has granted approval for such repairs and services are indicated in the Unit's current spending plan. An exception may be made for emergency repairs, if no other appropriate option is available.
- (8) A CCH may not use a Corporate Purchasing Card to purchase travel accommodations, including airfare, boat, taxi, train, bus, or limousine service. These purchases shall be requested through the FPMO.

- (9) A CCH may not use a Corporate Purchasing Card to pay for a hotel and/or conference room unless a purchase is outlined in a Unit's spending plan, or the FPMO has granted prior approval or an Area Director authorizes approval for a documented emergency situation that occurs during non business hours.
- (10) A CCH may not use a Corporate Purchasing Card to purchase a weapon of any type (e.g., hunting knife, firearm, etc.).
- (11) A CCH may not use a Corporate Purchasing Card at a restaurant, fast food or other eating establishment.
- (12) A CCH may not use a Corporate Purchasing Card for a cash advance, or any other financial service.
- (13) A CCH may not use a Corporate Purchasing Card to pay an unincorporated vendor for an item or service.

**d. Procedures for Minority Business Enterprise (MBE) Purchases**

- (1) A CCH shall strive to make purchases from Maryland Certified Minority Business Enterprises to achieve a 25% purchasing goal. Purchases from State Use Industries and statewide contractor's are not calculated in this goal.
- (2) A CCH shall keep records of each MBE purchase in a format provided by the Corporate Purchasing Card Administrator.
- (3) A CCH shall identify MBE vendor purchases on the CCH's monthly Activity Log.

**e. Reporting Requirements**

- (1) A CCH shall use a Cardholder Activity Log Sheet (Appendix 1, Exhibit E) to record, on a monthly basis, each purchase made with a Corporate Purchasing Card.
- (2) A CCH shall follow instructions described in Corporate Purchasing Card Documentation (Appendix 1, Section 10) and the DJJ Corporate Purchasing Card Manual to complete an Activity Log.
- (3) A CCH shall submit a completed monthly activity Log with supporting documentation to their Cardholder Manager for signature and submission to the DJJ Corporate Purchasing Card Administrator.
- (4) The Corporate Purchasing Card Administrator, upon reviewing each Activity Log, shall forward each log to the FPMO.
- (5) The Director of FPMO, upon review of each Activity Log, shall forward them to the Director of Finance for appropriate charging to the Department's budget accounting codes and for permanent filing.

- (6) A CCH who is not assigned to perform the duties of an Agency Buyer shall submit a Monthly Activity Log to the Corporate Purchasing Card Administrator within ten (10) working days after the receipt of a monthly statement from the Corporate Purchasing Card Vendor. An Agency Buyer shall submit a report within twenty-five (25) working days after receipt of a monthly statement.
- (7) A CCH who submits a late Activity Log or incomplete data three (03) consecutive months in a given year may not be authorized for continued Corporate Purchasing Card privileges, unless approved by the DJJ Chief Procurement Officer or his/her supervisor.

**f. Defective Merchandise and Disputes**

- (1) A CCH shall return each defective item to the vendor and receive a replacement item or get a credit placed on the Cardholder's next monthly bank statement.
- (2) If the CCH does not get satisfactory results from a vendor, the CCH shall complete a Purchasing Cardholder Dispute Form (Appendix 1, Exhibit D) and submit it to the Corporate Purchasing Card Vendor immediately after a vendor refuses to cooperate in a dispute.
- (3) A CCH shall notify the Corporate Purchasing Card Administrator immediately after an unresolved dispute is determined.

**g. Procedures for Reporting a Lost or Stolen Corporate Purchasing Card**

- (1) A CCH shall report lost or stolen cards immediately to the Corporate Purchasing Card Vendor representative (Currently USBank, 1-800-344-5696). This number is available twenty-four (24) hours a day, seven (7) days a week. Lost cards reported by telephone are blocked immediately. If a call is made before 3:00 p.m. local time, a new card will be mailed to the Cardholder within 24 hours.
- (2) A CCH shall notify the DJJ Corporate Purchasing Card Administrator immediately after their card is found to be missing by calling 410-230-3325.

**h. Procedures and Disciplinary Action for an Unauthorized Purchase**

- (1) Each unauthorized or fraudulent purchase initiated by a CCH shall result in some form of disciplinary action up to and including termination.
- (2) Each unauthorized purchase on a CCH's Monthly Bank Statement shall be reported immediately to a Cardholder's Manager and the DJJ Corporate Purchasing Card Administrator.
- (3) Each unauthorized purchase on a CCH's Monthly Bank Statement shall be reported to the Corporate Purchasing Card Service Representative (Current Vendor, USBank, at 1-800-285-8585).

7. **EFFECTIVE DATE.**

This directive is effective on 3/27/02 and shall remain in effect until rescinded by the Secretary.

8. **DIRECTIVES/POLICIES AFFECTED.**

- a. Directives/Policies Rescinded - (None)
- b. Directives/Policies Referenced - (None)

9. **FAILURE TO COMPLY.**

Failure to obey a Secretary's Directive and/or policy issued with this document shall be grounds for disciplinary action up to and including termination of employment.



\_\_\_\_\_  
Bishop L. Robinson  
Secretary

Appendixes – 1

- 1. State of Maryland, Comptroller's Corporate Purchasing Card Program - Policy and Procedures
  - Definitions, Section 2
  - Cardholder Activity Log Sheet, Exhibit E
  - Corporate Purchasing Card Documentation, Section 10
  - Purchasing Cardholder Dispute Form , Exhibit D

# Corporate Purchasing Card Program

---

## Policy and Procedures



**Comptroller**  
***Of Maryland***  
*Serving the People*

**William Donald Schaefer**  
**Comptroller of Maryland**

**TABLE OF CONTENTS**

	<b>PAGE</b>
<b><u>State of Maryland Policies</u></b>	
Corporate Purchasing Card Overview.....	2
State of Maryland Introduction and Intent (Section 1).....	3
Definitions (Section 2).....	3 - 6
Corporate Purchasing Card Oversight (Section 3).....	6
Issuing Corporate Purchasing Cards (Section 4).....	6
Issuing Corporate Travel Accounts (Section 5).....	6
Corporate Purchasing Card Security (Section 6).....	7
Corporate Purchasing Card Use (Section 7).....	7 - 8
Corporate Purchasing Card Abuse (Section 8).....	8
Corporate Purchasing Card Assignment Guidelines (Section 9).....	8 - 9
Corporate Purchasing Card Documentation (Section 10).....	9
Corporate Purchasing Card Record Retention (Section 11).....	9
Agency Implementation (Section 12).....	9 -10
<b><u>Administrative &amp; Financial Procedures</u></b>	
How the Corporate Purchasing Card Works (Section 13).....	10-11
Cardholder Limits (Section 14).....	11
Reporting Options (Section 15).....	11-12
Requesting a Card (Section 16).....	12
Defective Merchandise (Section 17).....	12
Disputes (Section 18).....	13
What to do if a Card is Lost or Stolen (Section 19).....	13
Record Keeping (Section 20).....	13
Posting and Payment Distribution (Section 21).....	13
<b><u>Forms and Exhibits</u></b>	
Cardholder Agreement Form - Exhibit A.....	
Cardholder Information Form - Exhibit B.....	
Cardholder Information Maintenance Form - Exhibit C.....	
Cardholder Statement of Disputed Item Form - Exhibit D.....	
Cardholder Activity Log Sheet - Exhibit E.....	
Account Code Number Set Up Guidelines - Exhibit F.....	
Posting and Payment Distribution Process - Exhibit G.....	



## **CORPORATE PURCHASING CARD OVERVIEW**

### **BACKGROUND**

The decision to initiate a Corporate Purchasing Card system for the State of Maryland was based upon recommendations submitted by the Comptroller's Office, the Department of General Services, and several State Agencies. Following a formal solicitation and evaluation, the USBank proposal using the VISA Corporate Purchasing card was selected and a contract awarded.

### **BENEFITS**

The Corporate Purchasing Card system benefits the State of Maryland by reducing paperwork, cost, and processing of accounts payable for small dollar purchases. Vendors who accept Corporate Purchasing Cards are paid much faster.

### **LIMITATIONS**

**Due to limitations in the current USBank/VISA Information System, vendors subject to 1099 reporting may NOT be paid with the Corporate Purchasing Card and purchases from these vendors are prohibited. These vendors are unincorporated service providers that require special reporting to the Internal Revenue Service.**

**Also, MBE/WBE information cannot be captured nor accurately identified at the point of sale. Therefore, each State Agency must establish a means for capturing and reporting this information as required by State regulations.**

### **CONTROLS**

The State of Maryland/USBank/Visa Corporate Purchasing Card Program uses both internal management controls, as well as features and reports from the USBank system, to manage and audit the process to ensure that procedures are followed.

## STATE OF MARYLAND CORPORATE PURCHASING CARD PROGRAM

### SECTION 1 INTRODUCTION AND INTENT

- .01 This policy covers the implementation of the Corporate Purchasing Card Program and establishes minimum standards for possession and use of State Corporate Purchasing Cards.
- .02 The Corporate Purchasing Card Program was established to save the State time and money. By allowing the Bank and the merchants to process most of the paperwork, the State eliminates the need to issue several thousand Purchase Orders, reduces the number of invoices to be processed and reduces the issuance of several thousand small dollar value checks. It helps State Agencies obtain small dollar value items in a more efficient and cost effective manner. Vendors will benefit as well by a reduction in paperwork and an improved payment cycle for billings.
- .03 While it is the intent of this program to improve the efficiency and effectiveness of the State Agency small corporate purchasing methods, nothing in this policy and/or procedures is intended to replace current policy and/or procedures defined under the **Code of Maryland Regulations (COMAR)** or **USM Policies and Procedures**. The guidelines in this manual are to act as the minimum standards for the operation of the Corporate Purchasing Card Program. Agencies may establish supplemental procedures that are more stringent than the rules established in this manual.

### SECTION 2 DEFINITIONS

- .01 **Account Code Number** - Also called Accounting Code. A twenty-two (22) character alpha/numeric value defined by the State of Maryland and keyed on the cardholder account. This value is appended to each transaction record and provided by USBank when the billing and/or data file(s) is transferred to the State Agency and/or General Accounting Division. This allows the State to automatically allocate transaction expenses to the correct State Agency Program Cost Account (PCA).
- .02 **ACH-Automated ClearingHouse** - An electronic network used by financial institutions to transfer funds per customer instructions.
- .03 **Acquirer** - Also referred to as Merchant Acquirer or Merchant Bank. A member of VISA or MasterCard that has an account with merchants to process their credit or debit card transactions through the appropriate network(s).
- .04 **Agency Head** - The highest-ranking individual within a State organization having responsibility for all activities within the Department or Agency, including oversight of fiscal policies and procedures.
- .05 **Agency Travel Coordinator** - is the designated staff member who coordinates the travel for the agency and is issued an account number without a plastic card.
- .06 **Approving Officer** - The Agency Head or other lawful designee possessing authority to approve incurring an obligation or making expenditures from State funds.
- .07 **Authorized Purchases** - Purchases that further the business of the State. Legitimate business purpose purchases and expenditures made by an employee on behalf of the State and the employing agency. Each purchase must be allowed by law and policy, and be within budget authority.
- .08 **Bank** - The financial institution issuing Corporate Purchasing Cards to and in the name of the State.
- .09 **Corporate Purchasing Card** - Plastic payment device or a specific account number issued by the Bank in the name of the State of Maryland agency participating in the program to a cardholder for facilitating small dollar value purchases on behalf of the State/Agency.
- .10 **Cardholder** - An employee authorized by an Agency to be the single user of a State Corporate Purchasing Card. The Corporate Purchasing Card bears the individual's name and can be used to pay for official purchases in compliance with Agency internal procedures.

- .11 **Card Controls** - Controls coded to each card that restrict the use of the card as defined by the State of Maryland and, further, by the State Operating Agency.
- .12 **Chargeback** - A formal dispute process initiated by the Issuer on behalf of the cardholder. For reasons defined within VISA operating rules, the transaction may be “returned” to the Acquirer. The Acquirer, in turn, has defined rights and reasons for “re-presenting” the item back to the Issuer.
- .13 **Declined Transactions** - Those transactions where authorization has been refused by USBank/VISA transaction authorization system.
- .14 **Documentation** - Written evidence of a purchase, provided by the merchant, including an invoice, cash register receipt, packing slip, receiving report, repair order, or other evidence of goods or services received.
- .15 **Electronic** - A method of communications whereby information is disseminated by computer media, computer to computer via modem, networks, facsimile, or other electronic means of communication.
- .16 **Electronic Contact** - The individual designated by an Agency or Institution to receive the electronic billing and reporting transmissions - usually the Purchasing Card Program Administrator.
- .17 **Fiscal Office** - The office in the agency responsible for the payment of invoices, recording transactions and related fiscal functions.
- .18 **Fiscal Officer** - The Agency fiscal office employee who has overall responsibility for the financial operations.
- .19 **Further the Business of the State** - A purchase will “further the business of the State” only when the purchase:
  - a. Is authorized by law, State regulation, and/or by organizational policy and procedures;
  - b. Will promote or support the lawful operation of the State agency on whose behalf the purchase is made; and
  - c. May be paid by public funds that are currently available to the agency by appropriation, allocation or other legislative authority (and, where applicable, by allotment) for the purpose of the purchase.
- .20 **Individual Liability Travel cards** - a VISA card issued to an individual state employee that travels frequently. Bill payment is the responsibility of the employee. Reimbursable expenses are paid through the normal expense account process.
- .21 **MBE/WBE** - Minority Owned Business Enterprise/Woman Owned Business Enterprise.
- .22 **Memo Statement or Bank Statement** - A statement-like form is sent to the cardholder each billing cycle for information and for reconciliation of purchases and/or credits. No payment is due on this statement.
- .23 **Merchant** - The company, organization or individual who provided the goods or services and who will receive payment resulting from a Corporate Purchasing Card transaction.
- .24 **Merchant Category Code (MCC)** - The merchant’s bank shall categorize each merchant according to the type of business the merchant is engaged in and the kind of goods and services provided. USBank shall assign each merchant a corresponding Merchant Category Code (MCC). These codes shall be used as a means of analyzing card usage data as well as assigning card controls. Also referred to as Standard Industry Codes (SIC), a four-(4) digit numeric classification code is used in the authorization and settlement systems to identify the type of merchant.
- .25 **Personal Identification Number (PIN)** - A unique number used to identify the cardholder when required for certain type of transactions.
- .26 **Personal Purposes** - Purchases that do not “further the business of the State” and purchases that do benefit an employee or other person individually, rather than facilitate the discharge of the official functions or duties of the agency. Any non-business use of the Corporate Purchasing Card that personally benefits the employee or third

party, rather than the State Agency.

- .27 **Purchasing Card Program Administrator (PCPA)** - An individual designated by the ordering Agency or Institution to perform administrative functions within the limits of delegated authority to maintain the effectiveness of the program.
- .28 **Procurement Officer** - Individual(s) authorized by the Agency Head to procure goods and services.
- .29 **Sales and Use Tax** - Taxes collected by merchants on items purchased. Sales tax refers to tax on items purchased within the cardholders' State. Use tax refers to tax on items purchased outside the cardholders' State. **The State of Maryland is Exempt from Maryland Tax.**
- .30 **Settlement** - The process of payment between issuing and acquiring banks for VISA transactions. Also used to refer to the process of payment between USBank and a customer for payment of the customer's VISA purchasing transactions.
- .31 **Settlement Contact** - The Director of the General Accounting Division of the State Comptroller of Maryland who receives and processes payment to USBank for ALL Corporate Purchasing Card transactions each month.
- .32 **Single Transaction Dollar Limit** - Also called Single Purchase Dollar Limit. A fixed amount determined by the State, over which ALL transactions will be declined.
- .33 **Statement Billing File** - An electronic file available to General Accounting Division on a monthly cycle that contains ALL detail concerning transactions on the State account that is used for settlement, cost allocation, and reporting.
- .34 **Supplier** - Also referred to as Vendor or Merchant. An organization that provides goods or services to a customer and accepts payment for those goods and services. Supplier and Vendor are common terms used by most Purchasing Agents. Merchant is a common term used within the banking industry for those vendors or suppliers who accept Corporate Purchasing Cards.
- .35 **T & E** - Travel and Entertainment.
- .36 **Total Systems** - Also TSYS. The processor for USBank Corporate Purchasing Card services.
- .37 **Travel Accounts** - Accounts issued without plastic that allow agencies to purchase airline and railroad tickets for official state travel.
- .38 **Unauthorized Use** - Use of the Corporate Purchasing Card for employee travel expenses capital, meals, outlays for major projects, personal purposes, or purchases in excess of the limit authorized by the policy. **Obtaining cash from the Corporate Purchasing Card is strictly prohibited.** Note: Hotel/Motel transactions and vehicle rental are permitted by the State.
- .39 **VISA** - VISA is an organization founded by member banks for the purposes of providing payment systems network for Corporate Purchasing Cards. Visa cards are the world's most widely used and accepted form of "plastic" payment.
- .40 **VISA Liability Insurance Program** - An insurance program provided by VISA on commercial card products that protects companies from misuse of cards by employees (up to \$15,000 per employee). Certain restrictions and conditions apply including termination of the employee and time limitations.
- .41 **VISA Travel Insurance Program** - While traveling state employees are entitled to Visa Insurance. Contact the US bank Customer Service for a copy for the current coverage, rules, and regulations.
- .42 **VISANET** - The electronic system operated by VISA that supports authorization, clearing and settlement of transactions between suppliers, acquiring banks, and issuing banks.
- .43 **1099 Vendor** - A 1099 is a form which companies and governments are required to provide to the Internal Revenue

Service (IRS) for each unincorporated vendor with whom they spent more than \$600 in a calendar year on 1099 related expenditures. Payments to merchants for goods are not 1099 related expenditures. **Payments to unincorporated vendors for services are 1099 related expenditures and are not permitted through the use of the State of Maryland Corporate Purchasing Card Program.**

### **SECTION 3**

#### **CORPORATE PURCHASING CARD OVERSIGHT**

- .01** The Maryland State Comptroller's Office, General Accounting Division is responsible for the Statewide contract administration of the Corporate Purchasing Card Program. The General Accounting Division will issue overall policy guidance, pay USBank for all purchases/credits made by participating Agencies, and post related Agency charges/credits to the central financial accounting system.
- .02** Each State Agency is responsible for determining if a purchase under this program meets State Corporate Purchasing law, policies, and procedures.
- .03** The Approving Officer (Agency Head) or their designee is responsible for designating a PCPA and who shall function as the Agency liaison to USBank, the Department of General Services, and the Comptroller of Maryland.
- .04** The Agency Fiscal Officer is responsible for the fiscal oversight of the Agency Corporate Purchasing Card Program. The Agency Fiscal Officer or individual designee of the Agency Fiscal Officer will monitor the issuance of cards, ensure prompt reconciliation of periodic statements, and prepare statistics and reports to document the results of the Program.
- .05** The Agency Fiscal Officer or designee is responsible for the proper setup and maintenance of the Account Code Numbers assigned to each cardholder. The General Accounting Division will provide the necessary guidelines (Exhibit F) and assist the Agency to accomplish the task. Account Code Number assignment must be completed prior to the establishment of the Corporate Purchasing Card Program at each Agency.

### **SECTION 4**

#### **ISSUING CORPORATE PURCHASING CARDS**

- .01** The Bank will issue Corporate Purchasing Cards to cardholders based on the signed written approval of the Agency Fiscal Officer or designee or the Agency Head or designee. The card will be issued in the name of an employee with the name of the agency or unit embossed on the plastic. All cardholder information must be reviewed and approved by the Agency Fiscal Officer or designee prior to submittal to the PCPA for handling. (see Exhibit B-Cardholder Information Form)
- .02** The cardholder, the cardholder's manager, the Agency Fiscal Officer or designee, and the PCPA must complete and sign a State of Maryland Corporate Purchasing Card Cardholder Agreement form (Exhibit A) indicating compliance with the program policy and guidelines. The Agency Fiscal Officer or designee will retain the original agreement. The Agency may establish guidelines that limit the use of the card more stringently than the rules and guidelines established by the State.
- .03** Following the Agency approvals, the PCPA will submit the cardholder information electronically via the C.A.R.E. system to the USBank for issuance of the card. The General Accounting Division will review all cardholder activity (new cards, changes, deletion etc.) on a daily basis using reports. USBank will distribute the Corporate Purchasing Cards directly to the Agency. The individual who is to receive the Corporate Purchasing Cards must be independent of the Agency PCPA duties. The Agency PCPA must not be the one to submit Corporate Purchasing Card applications and receive the cards in the mail from USBank. The Agency PCPA is responsible for correcting any errors in the cardholder Account Code Number with USBank before the issuance of the card.

### **SECTION 5**

#### **ISSUING CORPORATE TRAVEL ACCOUNTS**

- .01** The Bank will issue Corporate Travel Accounts to the agencies participating in Departments of Budget and Management's (DBM) Travel Program as of June 1 2001. These accounts will be issued to the Agency Travel Coordinator for each agency. These accounts will be set-up after the approval is received from DBM. The Bank will

issue an account to Travel Coordinators based on the signed written approval of the Agency Fiscal Officer or designee or the Agency Head or designee. The account will be issued in the name of a Travel Coordinator. All cardholder information must be reviewed and approved by the Agency Fiscal Officer or designee prior to submittal to the PCPA for handling. (see Exhibit B1-Travel Account Information Form)

- .02 If additional accounts are needed the agency PCPA can set these up in C.A.R.E. An Account holder's application must be sent to Susan Gorleski DBM Travel Coordinator. Susan Gorleski will forward the information to the bank to get the account number .

## SECTION 6 CORPORATE PURCHASING CARDS SECURITY

- .01 The cardholder who has been issued a Corporate Purchasing Card must secure and control the card at all times.
- .02 The PCPA must maintain accurate records at all times of the individual cardholders responsible for each card issued to his/her Agency.
- .03 USBank will reissue cards every 24 months via the Agency PCPA. The agency PCPA will monitor the cardholder expiration dates and notify USBank to cancel a card.
- .04 Every effort should be made to secure all purchasing card account number information. This includes reports, statement packing slips, and receipts. Paper documents containing the purchasing card account number should be shredded or destroyed when the information is no longer needed. Furthermore, access to the C.A.R.E. database should be limited to only select users. Transaction management is secured with access rights dictated and assigned by the agency to allow access only by authorized personnel. Typically, individual users of transaction management, supervisors, and PCPA's will have access to functionality restricted to their level in the billing hierarchy. Cardholder may be granted authority to view their transactions, disputes transactions, and make entries into the cardholder log of transactions.

## SECTION 7 CORPORATE PURCHASING CARD USE

- .01 Normally, cards will have a Single Purchase Limit of up to \$2,500 per transaction. University of Maryland Systems are up to \$5,000 per transactions, and *e-Maryland Marketplace* are up to \$10,000 per transaction. Travel Account spending limits will be designated by the DBM. All limits must be based upon estimated requirements of the Agency, lower limits and/or further restrictions may be established for cardholders within the Agency.
- .02 Corporate Purchasing Cards shall only be used for authorized purposes. Capital outlays for major projects are not authorized. The CPC **cardholder cannot** be used for airline, trains or other travel charges. (RENTAL CAR AND HOTEL/MOTEL TRANSACTIONS ARE ALLOWED BY THE STATE - CARDHOLDERS SHOULD CHECK WITH THEIR PCPA'S TO VERIFY THAT THESE TRANSACTIONS ARE ALLOWED BY THEIR AGENCY). **Travel Account Coordinators are the only individuals who may use the accounts for making travel purchases. All purchases must be in compliance with all State Laws, COMAR, (or USM Policies and Procedures), and Agency policy.**
- .03 **Specific restrictions apply** to the following Merchant Category Code Groups (MCCG):
  - a. Service Providers - MCC #6010 through #7033 - Total Group Restriction (Financial Institutions, Securities Brokers, Timeshares, etc.).
  - b. Personal Service Providers - MCC #7221 through #7299. Restrictions on (Photographic Studios, Beauty and Barber Shop, Shoe Repair-Shine Shops, Funeral Services and Crematories, Dating and Escort Services, etc.). Cardholder questions regarding specific types of transactions should be addressed to the Agency PCPA.
  - c. Amusement and Entertainment - MCC #7832 through # 7997 and #7999. Restrictions on (Motion Picture Theaters, Bowling Alleys, Video Game Clubs, Betting, Golf, Recreation Services, etc.).
  - d. Contracted Services - 1099 vendors (Unincorporated services) are excluded.

e. Miscellaneous - Specific restriction by Merchant Category Code as follows:

- Drinking Places (Alcoholic Beverages) MCC #5813
- Eating Places Restaurants MCC #5812
- Fast Food Restaurants MCC #5814
- Package Goods Stores (Beer, Wine, & Liquor) MCC #5921

**No purchases for these groups and/or items are permitted in the Corporate Purchasing Card Program.**

- .04 Any services that may be IRS Form 1099 reportable are NOT authorized (see page 5 for definition of IRS Form 1099).**
- .05 Cash Advances are strictly prohibited.**
- .06 See your Agency PCPA for the full MCC codes.**

## **SECTION 8**

### **CORPORATE PURCHASING CARD ABUSE**

- .01** If an employee abuses the Corporate Purchasing Card privilege or the provisions of the Corporate Purchasing Card agreement, the card may be forfeited and cancelled and the employee is subject to disciplinary action up to and including dismissal. The employee may also be ineligible for restoration of Corporate Purchasing Card privileges.
- .02** In addition to the sanctions described in the preceding paragraph, the State reserves the right to refer instances of abuse that violate other statutes to the appropriate law enforcement agency.
- .03** The State reserves the right to collect from the employee, the cost of any purchases that do not further the business of the State. The collection may be accomplished through payroll deduction or any other collection process.
- .04** The USBank/VISA Liability Waiver Program requires the State of Maryland to initiate termination proceedings as soon as documented evidence of cardholder abuse has been discovered and verified. The Agency PCPA and/or the Agency Fiscal Officer or designee shall notify USBank to cancel the cardholder card within two (2) days of the documentation and verification of cardholder misuse. Furthermore, specific forms supplied by USBank/VISA must be completed and filed with USBank/VISA. Forms and detailed instructions are available from the bank (reference VISA Liability Waiver Program).

## **SECTION 9**

### **CORPORATE PURCHASING CARD ASSIGNMENT GUIDELINES**

- .01** The following guidelines will apply to the assignment of the Corporate Purchasing Cards:
  - a. Limited to State of Maryland employees;
  - b. Limited to employees who have not had personnel incidents, which impact upon the use of the card;
  - c. Limited to employees specifically approved by Agency Head or Agency Head designee;
  - d. Limited to employees who sign a Corporate Purchasing Card agreement and who will be subject to personnel discipline procedures in the event of abuse or failure to comply with established guidelines;
  - e. Requires PCPA and Agency Fiscal Officer or designee approval of assignment of card;
  - f. Monthly credit card limits should be consistent with the authorized monthly spending limits established by the agency. Credit limits should not be substantially greater than the cardholders' pre-authorized monthly
  - g. spending authority; and
  - h. Cards no longer in use or where no purchasing activity has been recorded for an extended period of time must

be cancelled and cards destroyed by the PCPA.

**The Comptroller of Maryland recommends that the Agency Head or designee verify that a criminal background check has been completed by the State of Maryland, Department of Public Safety and Correctional Services, for each cardholder assigned a Corporate Purchasing Card. In order to maintain the confidentiality of the background check, all administrative handling should be completed by the Agency Personnel Office.**

## **SECTION 10**                      **CORPORATE PURCHASING CARD DOCUMENTATION**

- .01**     The Agency Fiscal Officer will ensure that necessary procedures are in place for prompt posting and reconciliation of charges and credits.
- .02**     The Agency Fiscal Officer or designee will ensure that documentation is adequate and sufficient to allow for the proper recording of expenditures in the Comptroller's Statewide Accounting and Reporting System. Documentation is required for all purchases and credits. Acceptable documentation shall be the itemized Corporate Purchasing Card Charge/Credit slip or Telephone Purchasing Card Log and one (1) of the following items:
  - a.    Itemized sales slip, or
  - b.    Itemized packing slip, or
  - c.    Itemized cash register receipt, or
  - d.    Itemized repair order.
- .03**     A monthly statement from USBank will be addressed and mailed by USBank to the cardholder.
- .04**     Each cardholder shall maintain an "Activity Log" for recording each purchase and/or credit made with each Corporate Purchasing Card. A copy of the Activity Log is attached to this policy as Exhibit E. The Activity Log may be recreated electronically, however, all current wording and signatures must be retained.
- .05**     After receiving the statement from the bank, the cardholder must match the Activity Log and the documentation for every purchase charge and/or credit. If documentation is missing, reasonable attempts should be made to obtain a copy of the appropriate documentation from the vendor referenced on the Bank Statement. When the documentation is received, it should be reviewed and certified as received or reported as a Disputed Item to USBank.
- .06**     A pattern of missing documentation may result in the loss of Corporate Purchasing Card privileges.
- .07**     When completed, the statement, the properly authorized log, and documentation for every purchase will be forwarded to the Agency PCPA or designee and subsequently to the Agency Fiscal Officer or designee for review and retention.
- .08**     The Agency Fiscal Officer or designee will maintain a permanent file with a copy of the Activity Log and supporting documentation.

## **SECTION 11**                      **CORPORATE PURCHASING CARD RECORD RETENTION**

- .01**     The Agency Fiscal Officer or designee shall maintain a permanent file containing the original Activity Log and documentation for every charge/credit. This file shall be subject to periodic review by the State Comptroller, the Office of Legislative Audits, and any other duly authorized auditors.
- .02**     The State Agency and the Comptroller of Maryland, General Accounting Division, shall maintain a current list of cards issued.

## **SECTION 12**                      **AGENCY IMPLEMENTATION GUIDANCE**

- .01**     Agencies must have specific policies and procedures to implement this program. The provisions of this policy statement need not be repeated in the agency policy; however, these minimum standards must be met.



- .02 Agency policies should address any purchases that the Agency wishes to prohibit or further restrict, **in addition to** those Purchases prohibited or restricted by this policy.
- .03 Agency policies should address required approvals and authorizing procedures.
- .04 The Corporate Purchasing Card State policy will be available to all personnel responsible for the implementation and maintenance of the program via the Comptroller of Maryland's Website and from State Use Industries Print Shop.
- .05 The State of Maryland Corporate Purchasing Card Cardholder Agreement Form (Exhibit A) will state relevant provisions of this policy. The employee must sign this form.

## ADMINISTRATIVE & FINANCIAL SERVICES PROCEDURES

### Corporate Purchasing Card

#### SECTION 13      **HOW THE CORPORATE PURCHASING CARD WORKS**

Any merchant that can process a Visa Card as a payment for purchases can accept this Corporate Purchasing Card. Each merchant contracts with a bank to have its Visa Card receipts processed. The bank provides the merchant with the necessary equipment and communications link into the Visa Card network. Visa Card accesses the USBank database of cardholder information by communicating with Total System Services, Inc. (TSYS), USBank's corporate card processor.

Some merchants use the phone to verbally request authorization on a Corporate Purchasing Card purchase. However, most merchants have an electronic point-of-sale terminal, PC processor or mainframe link to their merchant bank.

The typical operational procedures associated with Corporate Purchasing Card purchases are as follows:

- a. A State of Maryland employee presents his/her Corporate Purchasing Card to a merchant to make a business purchase. (A purchase could be made over the telephone, Internet, facsimile). **(Note - As a point of information, the merchant will not request an authorization for the purchase until the employee receives the items purchased and/or shipment is made via an appropriate carrier).**
- b. The merchant typically uses an electronic point-of-sale terminal to submit the total purchase for authorization. If automated equipment is not available, the authorization request is telephoned into USBank.
- c. The cardholder number is used to determine whether any limits or restrictions for that employee at both the statewide level and Agency level have been exceeded or controls have been breached by using the card at this time and with this merchant. Authorization typically takes just a few seconds. If authorization is granted, the purchase is completed and the database is updated to include the authorization. If authorization is denied, this is also noted on the USBank database.
- d. The merchant summarizes daily receipts and submits them to the merchant-processing bank for payment, usually at the end of the business day.
- e. The following day the merchant's account is credited by the bank. Total Systems (TSYS) transmits transaction detail and daily reporting information to USBank.
- f. USBank provides reporting information to the State of Maryland in a web-based format. Individual state agencies may view C.A.R.E. database in real-time. The General Accounting Division receives a file monthly containing the billing information for all state agencies. When interfaced into R\*STARS, transaction details can be viewed in InfoPac by requesting CPC0004 - Detail Transaction Report for R\*STARS Interface.
- g. Returns of merchandise to the merchant and/or disputes resulting in the issuance of a credit to the cardholder are posted each day along with the purchase transactions and are updated to the USBank database for subsequent transmittal to the State of Maryland.

- h. General Accounting Division settles with USBank for purchase amounts on an agreed upon schedule.
- i. General Accounting Division verifies the transaction count and the totals of the bills received from USBank and then distributes the charges and/or credits to the appropriate State Agencies.

## SECTION 14

### CARDHOLDER LIMITS

Specific restrictions apply to all Corporate Purchasing Cards for all State of Maryland employees. **Section 6** identifies these restrictions.

The primary advantage of the USBank Corporate Purchasing Card is the various limits that can be assigned to each cardholder to limit purchasing authority. These limits allow State Agencies to extend purchasing responsibility to many more individuals in the current purchasing environment, while maintaining or even increasing control over your purchasing budget. The following limits can be uniquely established for each Corporate Purchasing Cardholder:

*Spending amount per cycle:* The cardholder can only incur transactions totaling this amount for each billing cycle.

*Number of transactions per cycle:* Each cardholder can be limited as to the number of purchase transactions that can be made in a monthly billing cycle.

*Purchase amount:* Each purchase transaction for which authorization is requested will be verified against this amount.

*Number of transactions per day:* On a daily basis, the cardholder can be limited to the number of purchase transactions specified. Every transaction will also affect the monthly transaction limit once it is posted.

*Merchant category:* Each cardholder may be assigned one or more Merchant Category Code restrictions. This code includes various merchant categories or a group of Standard Industry Codes (SIC), depending on the type of purchases you would like them to make. The seven primary merchant categories are:

*Transportation*  
*Utilities*  
*Retail*  
*Auto & Vehicles*  
*Clothing Stores*  
*Miscellaneous*  
*Business/Repair Services*

The Merchant Category Codes (MCC) are designed to offer every combination possible for the above listed categories, plus several unique SIC code groups. MCCs can be coded to individual purchasing cards that preclude purchases from designated types of merchants (liquor stores, etc.). The restriction is imposed at point-of-sale if the merchant requests authorization for the transaction.

### **THE PURCHASING CARD MAY NOT BE USED FOR CASH ADVANCES**

## SECTION 15

### REPORTING OPTIONS

The reporting features of the Corporate Purchasing Card are as critical to purchasing card control as the cardholder limits for limiting liability and controlling purchasing authority. C.A.R.E provides a number of standard reports on spending activity, analysis reports, exception reports, and cardholder account information. Each of the reports has a predefined layout, applying the most commonly used data elements for this program. Additional reports that can be used in the C.A.R.E. on a daily basis include:

- a. Account Status Change
- b. Cardholder Activity Detail
- c. Cardholder Activity Summary
- d. Credit Balance
- e. Decline Transactions
- f. Exception

- g. Full Member
- h. Industry/Vendor Specific Spending
- i. MCC Listing
- j. MCC Spend Analysis Detail
- k. MCC Spend Analysis Summary

In addition to standard reports, C.A.R.E. provides a tool for ad hoc reporting. PCPA's can create customized reports. All reports can be exported into Excel or HTML formats.

## SECTION 16

### REQUESTING A CARD

- .01** If your position requires you to make purchases, this Corporate Purchasing Card may help you in your everyday tasks. To obtain a card, please follow these simple steps:
- a. Submit a formal request for a card to your immediate manager;
  - b. If appropriate, the immediate manager will approve the request and forward the request to the Agency PCPA;
  - c. After receiving the formal request, the Agency PCPA will send the "Cardholder Information Form" (Exhibit B), the "Cardholder Agreement Form" (Exhibit A), and **a copy of the State of Maryland CPC Program Policy and Procedures (or if applicable the University of Maryland's User Guide)**. The employee will complete the forms, sign the forms, and return them to the Agency PCPA or designee. The PCPA or designee may complete the forms in advance, but the cardholder must review the forms and the State of Maryland CPC Program Policy and Procedures (if applicable, University of Maryland's User Guide) and sign the forms prior to approval.
  - d. If approved, the completed "Cardholder Information Form" and "Cardholder Agreement Form" will be forwarded to the Agency Fiscal Officer or designee for approval.
  - e. The completed and approved forms will be forwarded to the Agency PCPA. If approved, the Agency PCPA will enter the Cardholder information on-line into the C.A.R.E. system.
  - f. USBank will forward the card to the Agency PCPA within two (2) to five (5) business days.
  - g. When the card is received by the Agency PCPA, it will be placed in a secure location. General Accounting Division will notify the PCPA in the event that any Account Code Number is incorrect. **Corrections must be completed on-line in C.A.R.E by the Agency PCPA before the card is issued.**
  - h. **Before the cardholder receives the card**, the PCPA provides written instructions to the cardholder regarding the use of the card. Basic instructions regarding the use, record keeping, allowable purchases, and emergency numbers in case of lost/stolen cards will be discussed and **the cardholder will formally acknowledge receipt of the card and instructions.**
  - i. The cardholder may begin using the card as soon as the cardholder calls the 1-(800) number that is identified on the activation sticker on the card.

## SECTION 17

### DEFECTIVE MERCHANDISE

- .01** If items are purchased and found to be defective or faulty, the cardholder can return the item(s) to the supplier, who will initiate a credit to appear on the subsequent month's cardholder Bank Statement.
- .02** If the cardholder cannot resolve the dispute with the supplier, a Cardholder Statement of Disputed Item form (Exhibit D) should be completed and forwarded to Agency PCPA. It is important to note that the form should be forwarded to the PCPA as soon as the discrepancy occurs, **but not later than sixty (60) days after the appearance of the item on the cardholder Bank Statement.**

**SECTION 18****DISPUTES**

- .01 When a cardholder discovers an incorrect amount has been charged for goods and/or services received, or a questionable purchase or transaction appears on the monthly cardholder Bank Statement, the cardholder must immediately seek to resolve the problem with the vendor. **If no resolution can be made with the vendor, a Cardholder Statement of Disputed Item form (Exhibit D) should be completed and forwarded to the PCPA for handling.** It is important to note that the form should be forwarded to USBank as soon as the discrepancy occurs, **but not later than sixty (60) days after the appearance of the item on the cardholder Bank Statement.**
- .02 USBank will issue an adjustment to the balance due until resolution of the dispute. If the resolution of the dispute results in a credit, it will be posted to the cardholder account.
- .03 The cardholder should post the credit to the Activity Log and verify that the credit appears on the subsequent monthly Bank Statement.

**SECTION 19****WHAT TO DO IF CARD IS LOST OR STOLEN**

- .01 If your Corporate Purchasing Card is lost or stolen, **you must telephone USBank Customer Service at 1-800-344-5696 immediately.** This number is available 24 hours a day, 7 days a week, 365 days a year. Lost cards reported by telephone are blocked immediately. If requested before 3:00 P.M. EST, a cardholder will receive an emergency replacement card within 24 hours.

**SECTION 20****RECORD KEEPING**

- .01 Every transaction must be recorded on a Cardholder Activity Log sheet (Exhibit E), which contains the transaction date; merchant name; description of item purchased, including quantity; account to be charged if different from that assigned to Corporate Purchasing card; and amount of purchase, will be used to reconcile the monthly charges against the Corporate Purchasing Card.
- .02 A Monthly Cardholder Statement will be sent by USBank to each cardholder after the cutoff on the 25th day of the month (**THIS IS NOT A PURCHASING CARD BILL**). The cardholder is responsible for reconciling the Monthly Cardholder Statement to the Activity Log sheet, attaching all receipts, signing, and returning the package to their immediate supervisor within three (3) days of receipt of the monthly statement.
- .03 The cardholders' immediate manager or designee assigned by the PCPA or Department Head will approve and verify the completeness and accuracy of the monthly detail, including whether or not the transactions are appropriate and forward it to the Agency Fiscal Officer or designee.
- .04 The Agency Fiscal Officer or designee will reconcile the monthly detail in R\*STARS and ensure that the appropriate accounting distribution is completed within 30 days of receipt of the monthly Bank Statement.
- .05 The Agency must establish appropriate internal controls to identify and track purchases made from MBE/WBE suppliers certified by the State of Maryland.
- .06 Distributions made to the DEFAULT PCA must be reviewed and, if necessary, redistributed promptly.

**SECTION 21****POSTING AND PAYMENT DISTRIBUTION**

- .01 Each day Corporate Purchasing Card charges and credits are posted to the USBank central database. The Agency PCPA can run reports by accessing the C.A.R.E. database.
- .02 On a monthly basis, USBank transmits the CPC Program billing file data to the Comptroller of Maryland, General Accounting Division, containing ALL charges and credits for ALL State Agencies for payment and redistribution of the payment to each Agency. Exhibit G, Posting and Payment Distribution Process, explains this process in detail.

**EXHIBIT A**

**STATE OF MARYLAND  
CORPORATE PURCHASING CARD PROGRAM  
CARDHOLDER AGREEMENT**

I, \_\_\_\_\_(INSERT EMPLOYEE NAME)\_\_\_\_\_, hereby request a Corporate Purchasing Card. As a cardholder, I agree to comply with the following terms and conditions related to the use of the card:

1. I understand that I am being delegated the authority to purchase supplies and services on behalf of \_\_\_\_\_(INSERT STATE AGENCY NAME)\_\_\_\_\_, using the State of Maryland Corporate Purchasing Card.
2. I agree that this card will be used for approved purchases only and, further, that I will not charge any personal purchases to this card. All purchases must be made in accordance with applicable laws, Code of Maryland Regulations (COMAR) or USM Policies and Procedures, and the State of Maryland Corporate Purchasing Card Program Policy and Procedures Manual. I understand that my failure to follow established procedures may result in disciplinary actions against me, including loss of leave time, suspension and/or termination of employment, fine, and/or criminal prosecution.
3. I agree to return the card immediately upon suspension and/or termination (including retirement) or upon reassignment to another Agency or cost center. Also, I agree to return the card immediately upon request of my supervisor and that disciplinary actions referred to in paragraph 2 would also apply for failure to do so.
4. If the card is lost or stolen, I agree to immediately notify USBank and the Purchasing Card Program Administrator.

**STATEMENT OF COMPLIANCE**

I certify that I shall purchase supplies or services in accordance with applicable COMAR or USM Policies and Procedures, State laws and State of Maryland Corporate Procurement Card policy and procedures. I certify that, to the best of my knowledge and belief, all of my statements are true, correct, complete, and made in good faith, and subject to applicable COMAR or USM Policies and Procedures, State laws and State of Maryland Corporate Procurement Card policy and procedures.

I further acknowledge and certify that I shall be personally responsible for any unauthorized Corporate Procurement Card purchase. I hereby authorize the State to deduct from my payroll check and from any other payments to me the amount of such unauthorized purchases made on the Corporate Purchasing Card issued to me.

\_\_\_\_\_  
Employee's Signature/Date

\_\_\_\_\_  
Agency and Cost Center

\_\_\_\_\_  
Employee's Social Security Number

\_\_\_\_\_  
Agency Address

\_\_\_\_\_  
Manager's Signature/Date

\_\_\_\_\_  
Agency Fiscal Officer's Signature/Date

\_\_\_\_\_  
Procurement Card Program Administrator's  
Signature/Date

**STATE OF MARYLAND**  
**CORPORATE PURCHASING CARD PROGRAM**  
**NEW APPLICATION CARDHOLDER INFORMATION FORM**

\_\_\_ Regular (\$2,500 SPL)    \_\_\_ University of MD (\$5,000)    \_\_\_ e-Maryland Marketplace (\$10,000 SPL)

**CARDHOLDER INFORMATION**

Agency Name (19 A/N):

Contact Name:

Cardholder Name (23 A/N):

Address (36 A/N):

City (25 A):

State (2 A):

Zip (5 N):

Zip-Ext (4 N):

Telephone Number (10 N):

SSN (9 N):

**AUTHORIZATION CONTROLS**

Credit Limit: \$

Daily # Transactions:

Single Purchase: \$

Cycle # Transactions:

**The single purchase limit recommended by the State is \$2500. If there are any changes to this amount, please indicate it above.**

**RESTRICTIONS (By Agency)**

MCCG NAME	MCCG ACTION	SINGLE PURCHASE LIMIT
1		
2		
3		
4		

**HIERARCHY INFORMATION**

ACCOUNT CODE NUMBER (22 A/N):

FIN. AGY. CODE (3 A/N)	PCA AGENCY (5 A/N)	OBJECT FLAG ("C" or "A")	OBJECT CODE (4 N)	AGENCY USE CODE (6 A/N)	DEFAULT PCA (3 A/N)

Reporting Unit Name:

**INITIAL CARD MAILING INSTRUCTIONS**

Contact Name (PCPA):

Address:

City, State:

Zip (9 N):

Employee Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Agency Fiscal Officer: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

GAD Account Code Number Verification Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Questions should be addressed to the agency PCPA identified in the Contact Name field.

**STATE OF MARYLAND  
CORPORATE PURCHASING CARD PROGRAM  
CARDHOLDER INFORMATION MAINTENANCE FORM**

**Action Requested:    Change Information                      Close Account (Retrieve Card & Destroy)**  
**Indicate VISA Cardholder Account # and Information Changes Only**

**CARDHOLDER INFORMATION**

**Effective Date of Action:**

**VISA Cardholder Account Number - Required for All Actions Requested (16 A/N):**

Agency Name (19 A/N):

Contact Name:

Cardholder Name (23 A/N):

Billing Address (36 A/N):

City and State (25 A):

State (2 A)

Zip (5 N):

Zip-Ext (4N):

Telephone Number (10 N):

SSN (9 N):

**AUTHORIZATION CONTROLS**

Credit Limit: \$

Daily # Transactions:

Single Purchase: \$

Cycle # Transactions:

**The single purchase limit recommended by the State is \$2500. If there are any changes to this amount, please indicate it above.**

**RESTRICTIONS (By Agency)**

MCCG NAME	MCCG ACTION	SINGLE PURCHASE LIMIT
1		
2		
3		
4		

**HIERARCHY INFORMATION**

**ACCOUNT CODE NUMBER (22 A/N):**

FIN. AGY. CODE (3 A/N)	PCA AGENCY (5 A/N)	OBJECT FLAG ("C" or "A")	OBJECT CODE (4 N)	AGENCY USE CODE (6 A/N)	DEFAULT PCA (3 A/N)

Reporting Unit Name:

Employee Name: \_\_\_\_\_ Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Agency Fiscal Officer: \_\_\_\_\_ Signature: \_\_\_\_\_ Date: \_\_\_\_\_

GAD Account Code Number Verification: \_\_\_\_\_ Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**For Questions, please contact USBank Customer Service at 1-800-344-5696**

**For Account Code Number Setup Assistance contact General Accounting Division at 410-260-7458**

**EXHIBIT D**

**PURCHASING CARDHOLDER DISPUTE FORM**

**CARDHOLDER INFORMATION**

Name \_\_\_\_\_ Address \_\_\_\_\_

City/State/Zip \_\_\_\_\_ Work Phone \_\_\_\_\_

Home Phone \_\_\_\_\_ Account No. \_\_\_\_\_

SIGNATURE \_\_\_\_\_ DATE \_\_\_\_\_

**DISPUTE**

- ☐ Credit Not Posted (Attach Credit Slip)
- ☐ Duplicate Posting
- ☐ Erroneous Amount (Attach Sales Receipt)
- ☐ Other \_\_\_\_\_

**MERCHANT NAME/DESCRIPTION**

**DOLLAR AMOUNT**

_____	_____
_____	_____
_____	_____

**DESCRIBE DISPUTE:**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**CARDHOLDER SHOULD SEND DISPUTE FORM TO YOUR PCPA**

**PCPA'S SHOULD SEND DISPUTE FORM TO THE ADDRESS LISTED BELOW**

U.S. Bank Visa Purchasing Card  
ATTN: Purchasing Card Disputes      Customer Service:  
P.O. Box 6344 Toll Free:      1-800-344-5696  
Fargo, ND 58125-6344 Fax:      701-461-3463



**EXHIBIT E****STATE OF MARYLAND – CORPORATE PURCHASING CARD PROGRAM****CARDHOLDER ACTIVITY LOG – CARDHOLDER NAME:** \_\_\_\_\_

ORDER DATE	SUPPLIER/CONTACT/PHONE#	QUANTITY/ DESCRIPTION	ACCOUNT CODE NUMBER	COST/ REFUND	DELIVERY COST	SALES TAX	TOTAL TRANSACTION AMOUNT	DELIVERY DATE	RECON TO BANK STMT

The Activity Log is the key to managing and controlling the Purchasing Card Program. All purchases and credits must be recorded on the Activity Log. When the Monthly Bank Statement is received, each charge/credit is to be verified with the Activity Log. The cardholder's immediate supervisor must review the Activity Log and Monthly Bank Statement. To document this review, the reviewer is to sign and date the Activity Log on the Monthly Bank Statement. The original receipts, Activity Log, and Monthly Bank Statement are forwarded to the Agency Fiscal Officer or designee for retention.

\_\_\_\_\_  
SIGNATURE  
CARDHOLDER

\_\_\_\_\_  
DATE

\_\_\_\_\_  
SIGNATURE  
CARDHOLDER MANAGER/REVIEWER

\_\_\_\_\_  
DATE

\_\_\_\_\_  
SIGNATURE  
AGENCY FISCAL  
OFFICER/REVIEWER

\_\_\_\_\_  
DATE

## EXHIBIT F

### STATE OF MARYLAND CORPORATE PURCHASING CARD PROGRAM

#### Procedure for State Agency to establish R\*STARS account codes relating to the Purchasing Card Program

The Cardholder Information Form(s) and related R\*STARS coding for the Account Code Number will have been completed as follows:

1. **FAC - Financial Agency Code** is a three (3) character code assigned to each major organization in State government. FAC's are assigned by the State Comptroller's Office and normally begin with an alpha character followed by two numeric digits. All State organizations have been assigned FAC's. FAC's are not to be confused with agency codes since agency codes, or lower levels of the organization structure, in R\*STARS are identified by using the FAC and PCA to look up additional organization levels.
2. **CA - Program Cost Account** is a five (5) character code assigned by each State Financial Agency. This code when combined with the FAC will be used to look up additional levels of codes in R\*STARS. This code will look up the Appropriation Number and Fund Code required by the State Comptroller to record an entry in R\*STARS. Each agency has complete latitude to set up PCA's provided a Comptroller's approved appropriation number and fund is looked up from the PCA. If, at time of posting in R\*STARS, the PCA used is not in the R\*STARS S026 profile or the appropriation and fund looked up from the PCA does not have available budget balance, the Default PCA will be used. See item (f) below.
- a) **Object Code Flag** - This one (1) character code will be used to indicate whether a Comptroller 'C' or Agency 'A' object code will be used in combination with the FAC and PCA. The actual value will be in the next field, item (d) below.
- b) **Comptroller/Agency Object Code** - This four (4) character code will identify either a Comptroller or Agency Object code based on item (c) above. Codes will be defaulted to '0999' agency or comptroller object code.
- c) **Special Agency Use Code** - This six (6) character code will be assigned optionally by each agency. The code will be ignored by the Comptroller's posting programs; however, the information will be recorded in US Bank database.
- d) **Default PCA** - This PCA will also be assigned by each agency following the requirements (*set forth below*) of the State Comptroller. GAD will verify that this code and the corresponding R\*STARS profiles have been set up correctly and will not authorize the use of a charge card if this code is incorrect. Each agency will be permitted to communicate the twenty-two (22) digit Account Code Number (adds, changes and deletes) for each card directly to US Bank. GAD will also receive reports directly from on all Account Code Number changes. State Agencies will not be authorized to hand out or use cards having changes to the default PCA that have been disapproved by GAD. GAD will identify cards not approved for use. The default PCA shall be set up by each State Agency in R\*STARS to link to the following:

**Appropriation Numbers** are assigned by GAD. For example, the Agency Appropriation numbers are: Military Dept. (D50) 'H0150'; Department of General Services (H00) 'A0150'; Department of the Environment (U00) 'A0150'; Department of Transportation, Motor Vehicle Administration; (J04) 'E0050'; University of Maryland at Baltimore (R31) 'B2150'; and Towson State University (R24) 'B2450'. The fifth and sixth character appropriation code will equal '50' for the purchasing card clearing account. The **Comptroller's Fund Code** will be '07'; and the **first two characters of the default PCA will be 'PC'** followed by an additional three characters assigned by the agency.

In order for GAD to set up the **Appropriation Number** for each agency, each agency shall identify and set up the **Program Code** and **Program level** prior to completing an account registration form with US Bank.

This information shall be provided to GAD Administrative Services Section at 410-260-7458 or 7459 prior to registration of any account with US Bank. Agencies will not be authorized to proceed with registering accounts with US Bank until GAD has established an Appropriation Number in R\*STARS.

**EXHIBIT G**

**CORPORATE PURCHASING CARD (CPC) PROGRAM  
POSTING AND PAYMENT DISTRIBUTION PROCESS**

**DAILY PROCESS**

1. US Bank posts CPC charges and credits into the database on a daily basis. Each State Agency can access and maintain the database via the C.A.R.E. system.
2. Each State Agency Procurement Card Program Administrator (PCPA) will update the Agency C.A.R.E. database and monitor the program to ensure compliance with established policy and procedures. Ad hoc reports are generated as necessary.

**MONTHLY PROCESS**

1. US Bank transmits CPC bill/data file(s) to the General Accounting Division (GAD) via an electronic remote communications facility which includes **ALL** charges/credits for **ALL** State Agencies for the CPC program as of the 25<sup>th</sup> day of each month unless the 25<sup>th</sup> day falls on a Saturday or Sunday in which case the cutoff will occur on the next US Bank business day. Header/Trailer record information will include the number of transactions and total dollar value of transactions contained in the file. **The data file is received in two (2) formats, a Bill Statement EBCDIC format for mainframe FMIS R\*STARS processing and an InfoSpan ASCII format for microcomputer database processing. A hard copy bill detailing the US Bank payment request will be mailed and faxed to GAD on the same day as the electronic file transfer.**
2. GAD runs special Edit program(s) using the Statement Billing File format to accumulate the total number of transactions and total dollar value of data file for comparison to US Bank summary totals. If totals agree, the program verifies the accuracy of accounting code data identified as part of each CPC transaction contained within the file. If the summarized transactions fail the R\*STARS edits on Account Codes or funds availability, the DEFAULT PCA will be used. A report reflecting activity, errors, and/or corrections together with an output file with corrected data will be created.
3. GAD reviews results of special edit program outputs and, if results are correct, proceeds to post the total monthly bill to FMIS/R\*STARS system through the GAD on-line computer terminal as follows (Posted to GAD's Statewide Corporate Purchasing Card Clearing Account):

R*STARS Transaction Code = 242		
Debit expense G/L Account # 3500	\$XXX,XXX.XX	
Credit Cash G/L Account # 0065		\$XXX,XXX.XX

**EXHIBIT G**

**CORPORATE PURCHASING CREDIT CARD PROGRAM (CPC)  
DAILY/MONTHLY US BANK BILL PAYMENT AND DISTRIBUTION PROCESS**

**MONTHLY PROCESS (Continued)**

4. GAD authorizes posting of Agency data file created as part of initial edit/update special programs to be input to FMIS/R\*STARS system as follows:

R\*STARS Transaction Code = 412 (GAD Credit Entry to Statewide Corporate Purchasing  
Card Clearing Account)  
Debit Cash G/L Account # 0062 \$XXX,XXX.XX  
Credit Expense G/L Account # 3500 \$XXX,XXX.XX

R\*STARS Transaction Code = 413 (Agency Debit Entry)  
Debit expense G/L Account # 3500 \$XXX,XXX.XX  
Credit Cash G/L Account # 0062 \$XXX,XXX.XX

Note: This clears the GAD account and redistributes the charges to the proper agencies. This requires the establishment of default assignments for PCA, Comptroller's Object codes, and Agency Object codes. **This process should be completed by the 2<sup>nd</sup> work day of the month following receipt of the bill so that charges and credits will be reflected in the same month as incurred by the Agency. The effective date of the transaction process should be the 25<sup>th</sup> day of the month in which the charges were incurred.**

5. GAD reviews FMIS/R\*STARS system processing to assure accurate distribution of charges/ credits to Agencies;
6. GAD issues payment to US Bank to assure total payment of monthly bill for ALL State Agencies prior to the 25<sup>th</sup> day after the bill statement date.

**EXHIBIT G**

**CORPORATE PURCHASING CREDIT CARD PROGRAM (CPC)  
CPC ACCOUNT CODE NUMBER ASSIGNMENT**

Each CPC cardholder transaction (charges/credits) will be associated with a unique Account Code Number (22 digit alphanumeric) in the following format:

<b>FIELD NAME</b>	<b># Digits</b>	<b>Format</b>	<b>Comments</b>
FAC Code	3	XXX	Financial Agency Code
PCA (Agency)	5	XXXXX	State Agency assigned code
Object Code Flag	1	X	“C” = Comptroller Object “A” = Agency Object
Comptroller/Agency Object Code	4	XXXX	Comptroller or Agency Object Code related to Object Code Flag
Special Agency Use Code	6	XXXXXX	Special GAD approved Agency Code <b>Zero filled if not used</b>
DEFAULT PCA	3	XXX	DEFAULT PCA code

**The PCA (Agency) code is the identifier assigned and established by each State Agency. The Object Code Flag is used to identify whether the Object Code field is Comptroller or Agency related. The Special Agency Use Code is only available to specific Agencies approved by GAD. The DEFAULT PCA code is a DEFAULT code assigned by the Agency following instructions in Exhibit F to be used in the event that a CPC transaction is rejected during the edit/update process of distributing the charges/credits to each State Agency.**

**EXHIBIT G****CORPORATE PURCHASING CREDIT CARD PROGRAM (CPC)****FMIS/R\*STARS Required data fields for each CPC record:**

<b>FIELD NAME</b>	<b># Digits</b>	<b>Format</b>	<b>Comments</b>
Effective Date	8	YYYYMMDD	CPC Transaction Date
Trans-Code	3	XXX	R*STARS Code # 413
FAC	3	XXX	Financial Agency Code
Index	5	XXXXXX	
Appropriation #	5	XXXXXX	
Fund #	4	XXXX	
PCA	5	XXXXXX	Program Cost Account
Comptroller Obj. Code	4	XXXX	Blank if Agency Obj. Code used
Agency Object Code	4	XXXX	Blank if Comp. Obj. Code used
Invoice Number	14	12(X)	"CPC"-MMMYYYY(Month/FY)
Invoice Description	30	30(X)	Original ACCOUNT CODE NUMBER
Trans-Amount	13	9(11)V99	Total transaction amount (dollars/cents)

**Note: FAC and PCA looks up the Index, Appropriation #, and Fund # during the R\*STARS edit/update process. If the State Agency assigned PCA code is in error, the DEFAULT PCA code will be used and the original Account Code Number Assignment data will be moved to the Invoice Description field. If the Comptroller or Agency Object code is incorrect, a DEFAULT code of 0999 will be used.**

## CORPORATE PURCHASING CREDIT CARD PROGRAM (CPC)

Account # Digit Position = 1 2 3 4 5  
P C X X X

**SPECIAL NOTE: The DEFAULT PCA is used only in the event of error conditions encountered during FMIS R\*STARS processing.**